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CENTRAL INTELLIGENCE AGENCY

20 June 1950

MEMORANDUM FOR: Assistant Chief of Staff, G-2, Department
of the Army
Director of Naval Intelligence
Director of Intelligence, Headquarters,
United States Air Force
Deputy Director for Intelligence, Joint Staff
Director, Staff, Munitions Board

SUBJECT: Munitions Board Request for Studies of Soviet
Purchases of Selected Commodities

1. In response to a request from the Munitions Board, dated 19 May 1950, CIA is undertaking a series of studies of Soviet requirements, production, and purchases of selected critical items. CIA believes that, with respect to requirements and production, the contemplated studies will carry further the program in other critical materials begun in CIA's II-181, "Resources and allocations of steel, aluminum, petroleum, electric power, and technical manpower for the USSR, 1949-1952," which was prepared at the request of the Joint Intelligence Committee. It is felt that the requirements of the requester and the broader needs of national intelligence as well as joint intelligence will best be served by employing a development of the same general approach used in that publication.

2. Effective handling of the problem of Soviet requirements and production suggests its treatment in two distinct parts: I. Requirements indicated by current allocations of material and equipment; and II. Requirements under conditions of overt warfare. In both parts, CIA must have certain information on Soviet military requirements from the Service Intelligence Agencies in order to evaluate Soviet finite resources and over-all demand and supply, both military and civilian.

3. Solution of the current problem requires:

a. that each Service Agency prepare an estimate of Soviet military requirements for the following suggested list of materials:

non-ferrous metals (tin, copper, lead, and zinc)
rubber (natural and synthetic)
ferro-alloys (molybdenum, tungsten, cobalt, etc.)

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high grade steels
coal tar products (benzene, toluene, phenols, etc.)
explosives (including raw materials)
military aviation gasoline (including lead tetraethyl)

These estimates must be based on current estimated production of all military equipment and on known military stockpile requirements including supplies required for maintaining existing military facilities.

b. that, in addition, the Office of Naval Intelligence prepare a similar estimate of Soviet military requirements for merchant ships;

c. that current requirements are based on the most recent estimates of the Soviet order of battle;

d. that requirements are those of "cold war" conditions prior to an agreed M-day;

e. that the Agencies report annual data from 1950 to the agreed M-day as follows:

(1) 1950 inventory of all Soviet ground, air, and naval equipment and supply by item and by tonnage requirements of each of the listed raw materials, finished products, and other items.

(2) Estimated annual production for each item of equipment and supply in tons of each of the listed raw materials.

(3) Estimated annual replacement rate for each item.

(4) Expected inventory for each item and tons of listed raw materials at the agreed M-day, and the type of units most likely to be mobilized from the M-day reserve.

4. Solution of the wartime problem requires similar treatment (with the addition of raw steel and aluminum) for conditions of war, assuming the order of battle and probable campaigns outlined in the most recent intelligence estimates.

5. The request from the Munitions Board included atomic energy raw materials. These will be made the special responsibility of the Office of Scientific Intelligence of CIA.

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6. It is tentatively planned to complete a preliminary study in six months. Agency contributions to Part I, Peacetime Requirements, should be scheduled for delivery to CIA by 30 September 1950; contributions to Part II, Wartime Requirements, should be scheduled for delivery to CIA by 15 November 1950.

7. In order to define the problem, establish certain assumptions and terms of reference, determine the scope and extent of the project, and make allocations of responsibility, a meeting will be held on Wednesday, 28 June 1950, at 1330, in Room 117 Central Building, at which the agencies addressed are requested to be represented. The names of those designated to attend this meeting should be notified to [redacted]

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FOR THE DIRECTOR OF CENTRAL INTELLIGENCE:

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THEODORE HABERMAS
Assistant Director
Reports and Estimates

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